

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In the Matter of:

ARK LABORATORY, LLC,

Debtor.

Case No. 23-43403-mlo

Chapter 11

Hon, Maria L. Oxholm

**FURTHER FILING OF BUDGET FOR FINAL
ORDER AUTHORIZING USE OF CASH
COLLATERAL AND GRANTING ADEQUATE
PROTECTION**

Debtor states,

1. Attached is the further budget that Debtor and Auxo have agreed to for purposes of the FINAL ORDER AUTHORIZING USE OF CASH COLLATERAL AND GRANTING ADEQUATE PROTECTION.

Respectfully submitted,
/s/ Robert Bassel
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Helix Diagnostics
4-Week Cash Flow Budget (7/31/23 to 8/25/23)
Revised: 8/17/23

Description	1	2	3	4	Cumulative Cash Flow Proj.	
	4-Aug-23	11-Aug-23	18-Aug-23	25-Aug-23		
	REVENUES					
Gross Revenues						
Non Covid PCR	\$ 50,317	\$ 50,564	\$ 50,564	\$ 50,564	\$ 202,009	23.1%
Covid	-	-	-	-	-	0.0%
Toxicology	123,670	122,726	122,726	122,726	491,847	56.3%
Blood	32,315	32,285	32,285	32,285	129,171	14.8%
Other	12,638	12,641	12,641	12,641	50,560	5.8%
Gross Revenues	\$ 218,940	\$ 218,216	\$ 218,216	\$ 218,216	\$ 873,587	100.0%
Reimbursement Rate Adjustments	(65,682)	(65,465)	(65,465)	(65,465)	(262,076)	-30.0%
Net Revenues	\$ 153,258	\$ 152,751	\$ 152,751	\$ 152,751	\$ 611,511	70.0%
Receipts						
Legacy Claim Reciepts	8,160	8,160	8,160	8,160	32,638	3.7%
Current Claim Receipts	153,458	148,782	144,285	140,060	586,585	67.1%
Cash Receipts	\$ 161,617	\$ 156,942	\$ 152,444	\$ 148,219	\$ 619,223	70.9%
Payroll Disbursements						
Hourly Wages	125,224	-	124,951	-	\$ 250,176	28.6%
Salary Wages	-	83,229	-	78,529	161,758	18.5%
Employer Taxes - Post-petition (FICA, FUTA & SUTA)	9,580	5,558	9,559	4,463	29,159	3.3%
Car Allowance	-	-	2,000	2,500	4,500	0.5%
Employee of the Month Bonus- Grossed up	-	-	-	-	-	0.0%
Payroll Disbursements	\$ 134,804	\$ 88,787	\$ 136,510	\$ 85,492	\$ 445,592	51.0%
Non-Payroll Disbursements						
Credit Card Fees	123	120	116	113	473	0.1%
Bank Charges	2,888	-	-	-	2,888	0.3%
Courier Fee	21,250	21,250	21,250	21,250	85,000	9.7%
Marketing Fees (1099)	37,500	37,500	37,500	37,500	150,000	17.2%
Fuel/Mileage	2,127	2,127	2,127	2,127	8,508	1.0%
Dues & Subscriptions	420	421	422	423	1,686	0.2%
Workers Comp	-	-	-	12,143	12,143	1.4%
Insurance - Liability	-	-	-	7,160	7,160	0.8%
Insurance - Employee Portion	(6,274)	(2,401)	(6,260)	(2,265)	(17,200)	-2.0%
Insurance - Health	94	-	-	46,135	46,229	5.3%
Insurance - Life/AD&D/Dental/Vision	7,461	-	-	-	7,461	0.9%
Insurance - Life	811	-	-	-	811	0.1%
Lab Fees	3,568	3,568	15,791	15,791	38,718	4.4%
Debtor & Committee Legal	-	-	-	-	-	0.0%
IT Consulting	-	4,250	-	-	4,250	0.5%
Compliance	-	-	-	-	-	0.0%
Outside Consulting	-	-	-	-	-	0.0%
Licenses & Fees - Infrastructure	353	169	-	940	1,462	0.2%
Licenses & Fees - Business Operations	-	3,262	-	3,103	6,365	0.7%
Licenses & Fees - Lab Operations	9,015	21,455	-	5,450	35,920	4.1%
Employee Meals	92	92	200	200	585	0.1%
Medical Billing	9,145	8,889	8,632	8,384	35,050	4.0%
Office Expenses	100	500	100	300	1,000	0.1%
Medical Directorship	3,000	-	-	-	3,000	0.3%
Rent or Lease	49,651	7,925	-	-	57,576	6.6%
Equipment Lease	-	-	-	-	-	0.0%
Repair & Maintenance	5,148	5,887	-	-	11,035	1.3%
Payroll Fees	-	-	-	-	-	0.0%
Shipping and Delivery Expense	985	985	985	985	3,939	0.5%
Supplies	31,935	43,326	36,470	41,581	153,312	17.5%
Telephone	-	377	-	-	377	0.0%
Travel	1,062	1,062	1,062	1,062	4,246	0.5%
Utilities	-	-	-	-	-	0.0%
Uniforms	974	-	-	-	974	0.1%
Waste Management	2,618	-	-	-	2,618	0.3%
US Trustee Fees	-	-	-	40,000	40,000	4.6%
Expense Reports	-	-	-	-	-	0.0%
Non-Payroll Disbursements	\$ 184,046	\$ 160,764	\$ 118,394	\$ 242,380	\$ 705,584	80.8%

Helix Diagnostics
4-Week Cash Flow Budget (7/31/23 to 8/25/23)
Revised: 8/17/23

Description	1	2	3	4	Cumulative Cash Flow Proj.	
	4-Aug-23	11-Aug-23	18-Aug-23	25-Aug-23		

Disbursement Summary						
Payroll	\$ 134,804	\$ 88,787	\$ 136,510	\$ 85,492	\$ 445,592	51.0%
Non-Payroll	184,046	160,764	118,394	242,380	705,584	80.8%
Other Cash Expenditures	-	-	-	-	-	0.0%
Total Disbursements	\$ 318,850	\$ 249,550	\$ 254,904	\$ 327,871	\$ 1,151,176	131.8%

Net Cash Flow (Weekly)	\$ (157,233)	\$ (92,608)	\$ (102,460)	\$ (179,652)		
Cumulative Cash Flow	\$ (157,233)	\$ (249,842)	\$ (352,301)	\$ (531,953)		

Notes:

Operating Cash					
Beginning Balance	(109,272)	(266,505)	(359,113)	(461,573)	
+ Cash Inflows	161,617	156,942	152,444	148,219	
- Cash Outflows	(318,850)	(249,550)	(254,904)	(327,871)	
+/- Adjustments					
Ending Balance	(266,505)	(359,113)	(461,573)	(641,225)	
Increase/Decrease	(157,233)	(92,608)	(102,460)	(179,652)	

A/R Rollforward					
Beginning A/R	7,143,161	7,134,802	7,130,611	7,130,918	
+Sales	153,258	152,751	152,751	152,751	
-Collections	(161,617)	(156,942)	(152,444)	(148,219)	
+/- Adjustments					
Ending A/R	7,134,802	7,130,611	7,130,918	7,135,449	
Increase/Decrease	(8,359)	(4,191)	307	4,532	

Supplies					
Beginning Supplies	715,676	709,188	714,218	712,392	
+Purchases (operational)	31,935	43,326	36,470	41,581	
-(Sales * Materials %)	(38,423)	(38,296)	(38,296)	(38,296)	
+/- Adjustments					
Ending Supplies	709,188	714,218	712,392	715,676	
Increase/Decrease					-

NOTES:

Helix Diagnostics
4-Week Cash Flow Budget (7/31/23 to 8/25/23)
Revised: 8/17/23

Description	1	2	3	4	Cumulative Cash Flow Proj.
	4-Aug-23	11-Aug-23	18-Aug-23	25-Aug-23	

EBITDA/Cash Flow Reconciliation					
Net Revenues	153,258	152,751	152,751	152,751	
Payroll Disbursements	(134,804)	(88,787)	(136,510)	(85,492)	
Non-Payroll Disbursements	(184,046)	(160,764)	(118,394)	(242,380)	
Other Cash Expenditures	-	-	-	-	
Cash Flow Operating income before Addbacks	(165,593)	(96,799)	(102,153)	(175,120)	
<u>Add Backs:</u>					
Capital Expenditures	-	-	-	-	
Interest Expense - Line of Credit (Comerica Bank)	-	-	-	-	
Interest Expense - Business Loan (Peninsula Capital)	-	-	-	-	
Interest Expense - Equipment Loan	-	-	-	-	
Principal Payments - Line of Credit (Comerica Bank)	-	-	-	-	
Principal Payments - Business Loan (Peninsula Capital)	-	-	-	-	
Principal Payments - Equipment Loan	-	-	-	-	
Consulting Fees	-	-	-	-	
Clear Check Float	-	-	-	-	
Forbearance Fees and Expenses	-	-	-	-	
Credit Card Expense	-	-	-	-	
Capital Infusion	-	-	-	-	
Payment on Capital Infusion	-	-	-	-	
Payment for Emergency Capital Influx from Senior Employees	-	-	-	-	
A/P Payment Plan	-	-	-	-	
Incremental Fee Related to Legacy Collections	1,567	1,567	1,567	1,567	
Model Implied Recurring EBITDA	(164,025)	(95,232)	(100,586)	(173,553)	
Adjustments to Reconcile to Cash Flow:					
<u>Deduct:</u>					
Capital Expenditures	-	-	-	-	
Interest Expense - Line of Credit (Comerica Bank)	-	-	-	-	
Interest Expense - Business Loan (Peninsula Capital)	-	-	-	-	
Interest Expense - Equipment Loan	-	-	-	-	
Principal Payments - Line of Credit (Comerica Bank)	-	-	-	-	
Principal Payments - Business Loan (Peninsula Capital)	-	-	-	-	
Principal Payments - Equipment Loan	-	-	-	-	
Consulting Fees	-	-	-	-	
Clear Check Float	-	-	-	-	
Forbearance Fees and Expenses	-	-	-	-	
Credit Card Expense	-	-	-	-	
Capital Infusion	-	-	-	-	
Payment on Capital Infusion	-	-	-	-	
Payment for Emergency Capital Influx from Senior Employees	-	-	-	-	
A/P Payment Plan	-	-	-	-	
Incremental Fee Related to Legacy Collections	(1,567)	(1,567)	(1,567)	(1,567)	
Net Revenues	(153,258)	(152,751)	(152,751)	(152,751)	
<u>Add:</u>					
Receipts	161,617	156,942	152,444	148,219	
	(157,233)	(92,608)	(102,460)	(179,652)	
Cash Flow	(157,233)	(92,608)	(102,460)	(179,652)	
Difference	\$ -	\$ -	\$ -	\$ -	